

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No. _____

SCOTT L. and ELENA SHLEIFER,

Plaintiffs

vs.

UNITED STATES OF AMERICA,

Defendant.

_____/

COMPLAINT

Scott L. and Elena Shleifer (each a “Plaintiff” and together, the “Plaintiffs”), by their undersigned counsel, file this complaint against the United States of America (the “Defendant”), for a refund of overpaid federal individual income tax for the 2014 tax year pursuant to 26 U.S.C. § 7422.

PARTIES

1. The Plaintiffs are a married couple who reside in Palm Beach County, Florida.
2. The Defendant is the United States of America, acting through its agency, the Internal Revenue Service (the “IRS”).

JURISDICTION AND VENUE

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1346(a)(1) and 26 U.S.C. § 7422.

4. Venue is proper in the Southern District of Florida pursuant to 28 U.S.C. §§ 1391(b) and 1402(a)(1), because the United States is subject to the Court's jurisdiction with respect to this action and the Plaintiffs reside in this District.

5. This case was properly filed in the West Palm Beach Division pursuant to Rule 3.1 of the Local Rules for the Southern District of Florida because Palm Beach County is the county in which the action originated.

FACTUAL AND PROCEDURAL BACKGROUND

6. The Defendant has improperly collected income taxes from the Plaintiffs in connection with their Tax Year 2014 ("TY 2014") individual income tax return.

7. At all times relevant to this complaint, Scott Shleifer was a partner in the investment firm Tiger Global Management, LLC ("TGM"). In connection with his position at TGM, Mr. Shleifer frequently travelled both internationally and domestically.

8. At all times relevant to this complaint, Mr. Shleifer was also the owner of SLS Travel LLC ("SLS Travel"), an entity through which he conducts his business travel.

9. On or about November 3, 2014, Mr. Shleifer, via SLS Travel, purchased a 37.5% undivided interest in a Global 6000 business aircraft (the "Aircraft").

10. Along with the purchase price of the Aircraft, Mr. Shleifer, via SLS Travel, incurred other costs related to the acquisition and business use of the Aircraft in 2014, including but not limited to legal fees, and fuel and crew charges.

11. Mr. Shleifer's business use of the Aircraft in 2014 exceeded 50% of his total use of the Aircraft in that year.

12. On or around October 14, 2015, the Plaintiffs timely filed a Form 1040 (Individual Income Tax Return) for TY 2014 and reported a tax liability.

13. The Plaintiffs elected to file their 2014 Form 1040 jointly as a married couple.

14. The Plaintiffs fully paid the tax reported on their TY 2014 Form 1040.

15. On or around October 9, 2018, the Plaintiffs timely amended their TY 2014 income tax return by filing a Form 1040X (Amended U.S. Individual Income Tax Return) and reported a corrected total tax liability \$1,898,786 less than the liability reported on their original TY 2014 Form 1040.

16. The reduced tax liability is the result of a deduction in connection with the business use of the Aircraft. The corresponding reduction in the Plaintiffs' Adjusted Gross Income ("AGI") led to other minor changes in the Plaintiffs' Self Employment Tax and Itemized Deductions.

17. On or about April 5, 2019, the IRS opened an examination of the Plaintiffs' amended TY 2014 tax return.

18. By letter dated March 23, 2022, the examining agent at the IRS proposed to disallow in full the Plaintiffs' deduction in connection with the Aircraft, and to disallow in full the Plaintiffs' claim of a \$1,898,786 reduction in their TY 2014 tax liability.

19. The Revenue Agent's Report included the following statement: "Deduction of Depreciation and operating expenses of the airplane may be deductible as expenses related to partnership investment on Sch E, much the same as they have been deducted in 2015 and subsequent tax years." A true and correct copy of the Revenue Agent's Report is attached as Exhibit A.

20. On July 6, 2022, the IRS issued the Plaintiffs a statutory notice of disallowance, denying the Plaintiffs' deduction related to the Aircraft in full, and denying the Plaintiffs' claim of a \$1,898,786 overpayment of their TY 2014 tax liability. A true and accurate copy of the Notice of Disallowance is attached as Exhibit B.

21. The IRS did not adjust any other item on the TY 2014 return.

COUNT I – REFUND OF INCOME TAX OVERPAYMENT

22. The Plaintiffs reallege and incorporate the allegations contained in paragraphs 1 through 21 as if fully set forth herein.

23. The Plaintiffs have overpaid their TY 2014 individual income tax liability by \$1,898,786.

24. The Plaintiffs have exhausted their administrative remedies, and the IRS notified the Plaintiffs on July 6, 2022 that it would not refund the overpayment of income tax for tax year 2014.

25. The Plaintiffs are entitled to judgment under 26 U.S.C. § 7422 against the Defendant for the full amount of the overpayment plus interest thereon as provided by law.

WHEREFORE, the Plaintiffs demand the following relief:

1. Judgment in the amount of \$1,898,786, plus interest thereon commencing from the date the Defendant received said amount; and
2. Such other and further relief as the Court deems just and equitable.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a jury trial of all claims so triable.

Dated: June 6, 2024

Respectfully submitted,

/s/ Brian Wille

[signature page follows]

Brian Wille
*Admitted to Practice in the Southern District of
Florida*
Florida Bar Number: 89677
bwille@kostelanetz.com
Kostelanetz LLP
7 World Trade Center, 34th Floor
New York, New York 10007
Telephone: (212) 808-8100

Nicholas Bahnsen
Admission Pro Hac Vice Pending
New York Bar Number: 5102827
nbahnsen@kostelanetz.com
Kostelanetz LLP
601 New Jersey Avenue, NW
Suite 260
Washington, DC 20001
Telephone: (202) 790-6990

Abigail Burke
Admission Pro Hac Vice Pending
Maryland Bar Number: 2211280075
aburke@kostelanetz.com
Kostelanetz LLP
601 New Jersey Avenue, NW
Suite 260
Washington, DC 20001
Telephone: (202) 790-6995

Attorneys for Plaintiffs Scott L. and Elena Shleifer